
QUALIFIED PROSPECTS FOR EVERY CAMPAIGN

Predictive modeling is a proven technology that has been used for decades by many of the largest retail and financial institutions to improve audience targeting for customer acquisition and cross-selling. One of the challenges with traditional analytics and modeling processes is they typically involve weeks of analysis, expensive tools and high levels of statistical expertise. At JD, we often use an automated solution for analytics that speeds up the process to make it practical for just about any marketing campaign. By statistically identifying what is unique about existing customers, responders or donors when compared to the general population, we can uncover strong cues that indicate who the best prospects will be for future campaigns. These key insights also help sales and marketing professionals better allocate budgets to achieve increases in ROI.

Profile Reports

Profile Reports provide a “portrait” of your audience and include common characteristics such as demographics, affluence factors and special interests that are useful for planning for future marketing activities.

The process begins using a proprietary software tool that matches your existing data with proprietary compiled data that is enhanced with hundreds of data variables, including information such as head of household age, education level, occupation, income level, net worth, discretionary income, charitable contributions, marital status, number and age of children, homeownership status, home market value, length of residence, special interests and more.* Your data is compared to U.S. and/or market averages and the resulting information is automatically sorted and summarized, generating a comprehensive Profile Report with graphs and charts representing more than a dozen demographic characteristics.

Model Reports

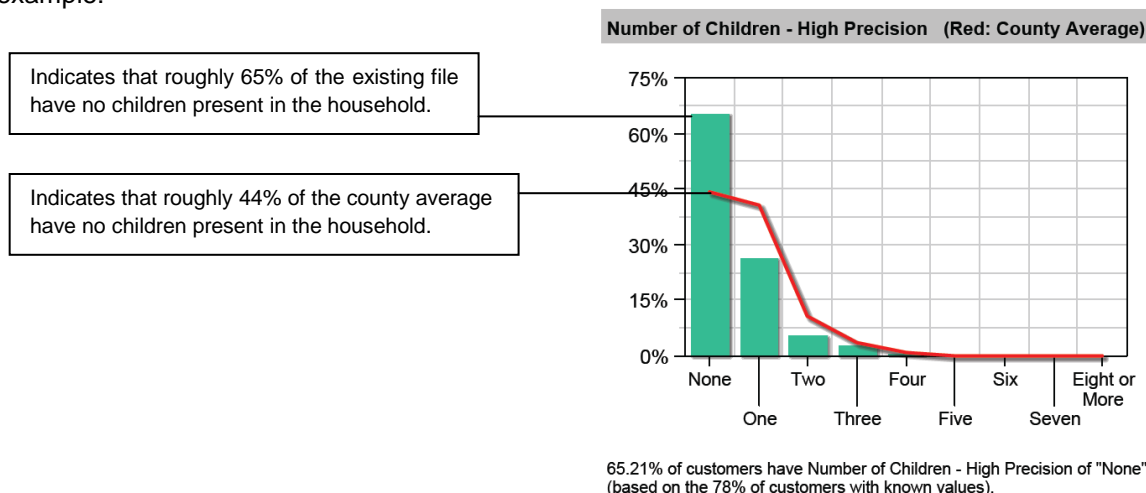
A Model is the basis for predictive analytics and is created by analyzing hundreds of variables that can be attributed to your customer, responder or donor file. Those attributes are then used to find other households that are most likely to respond to a campaign. Our patented automated modeling process uses genetic algorithms and compares your customer list to non-customers in our database. The model runs for hundreds of generations to identify which attributes are unique and predictive. The attributes that make someone more likely to respond are measured and then derived into an equation or scoring



formula. This equation is later used to score households in other data universes to predict which ones are more likely to respond. Results of the modeling analysis are summarized in a Model Report. It includes a lift chart that illustrates how much more likely it is that model prospects will respond, along with a graphical summary of the attributes and/or behaviors that signal response and contribute to the model. The model itself is not delivered, but resides in a system as a resource for generating lists, so there are no confusing algorithms to decipher.

Tips for Interpreting Profile Reports

- The **red line** represents the average of the geography being used to compare the customer file to. Comparable geographies include the nation, states, regions, cities or zip codes.
- The **colored bars** represent your file.
- For example:



Definitions

- **Match Count** – The number of names from the customer file that has been matched to our database (i.e. 3000 of 4000 names means a 75% match rate).
- **Number of Adults** – The number of adults present in the household.
- **Number of Children - High Precision** – The number of children present in the household.
- **Income Range Code New** – Categorizes the income of a household ranging from under \$30K to over \$500K.
- **Home Market Value** – Indicates the estimated current home value range.
- **Household Education Level** – Level of education for head of household.
- **Head of Household Age** – Head of household's age.
- **Marital Status** – Head of household's marital status.



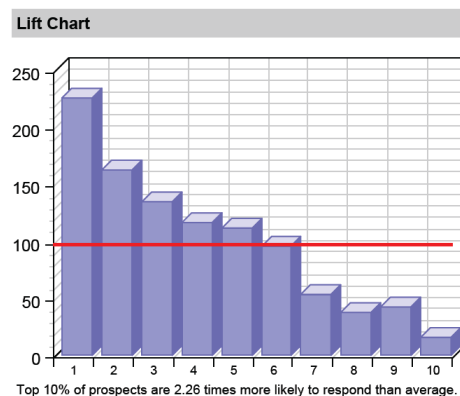
- **Head of Household Occupation** – Occupation of head of household.
- **Length of Residence** – Number of years household has been at current residence.
- **Home Owner Indicator** – Indicates head of household owns a house.
- **Presence of Adults Female Age Bands** – Indicates the presence of females in the household in various age groups.
- **Presence of Adults Male Age Bands** – Indicates the presence of males in the household in various age groups.
- **Discretionary Income** – Index ranking of household's money left after basic necessities such as food, housing and clothing have been paid for. Indices range from 0-1,000 with 100 being the average. Values above 100 represent what percent more discretionary income the household has above the national average.
- **Recession Sensitivity Decile** – Ranking indicating how much current economic cycles and downturns affect households (1=most affected; 10=least affected)
- **Charitable Contribution Decile** – Household ranking of charitable contributions (1=most; 10=least)
- **Net Worth** – Indicates head of household's net worth using income, asset, life state and other financial profile components.
- **Invitation to Apply Index Range** – Asset-based index measuring household's propensity to be invited to apply for credit. Indices range from 0-1,000 with 100 being average. Values above 100 represent what percent more discretionary income the household has above the national average.
- **Certificate of Deposit Decile** – Household ranking of likelihood to invest in CDs (1=most; 10=least)
- **Social Networking – Professional Social Network Demi Decile** – Household ranking of likelihood to be on a professional social networking site (i.e.: LinkedIn; 1 is most likely, 20 least likely)

Tips for Understanding Model Reports

How To Read a Lift Chart:

With each Model that is created, there is a corresponding Model Report that outlines the most influential attributes in that model. In these Model Reports there is also a lift chart. This chart shows the likelihood of a prospect to be a responder when compared to non-targeted prospects. The first few columns in the chart indicate the "lift" – a statistical representation of the best responder set.

The lift chart indicates how many more times likely a prospect is to respond than average. The chart is delimited by deciles. The





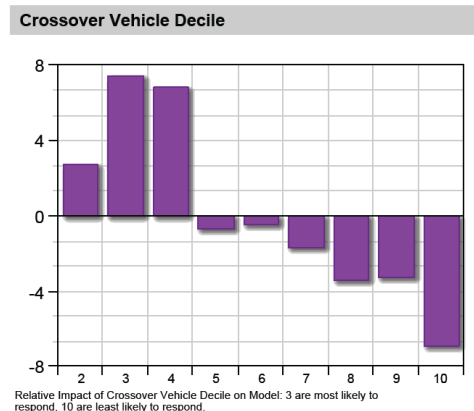
straight line represents the average for a non-targeted, random sample of prospects.

How To Read A Categorical Chart:

The categorical charts display variables, by categories, which have a relative impact on response probability. The straight line indicates a baseline, and each category is measured against that baseline. In some cases, negative values may be more of an impact than positive values.

Example at Right:

Prospects with a value of 3 for Relative Impact of Crossover Vehicles are most likely to respond. (The x axis measures a household's propensity to have that type of vehicle; 1=most likely, 10=least likely.)

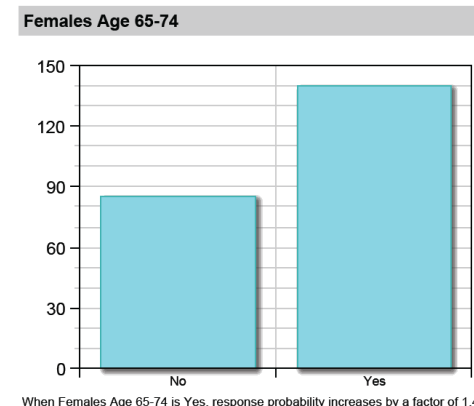


How To Read A Binary Chart:

The binary charts display variables that are based on two choices and have a negative or positive influence on response probability.

Example at Right:

When Females Age 65-74 is yes, response probability increases by a factor of 1.4.



Data Scoring

The model is used to score households in a prospect universe on a scale of 1-100, with 100 being the most likely prospects to respond. Households are then grouped by deciles in distribution reports.

- Decile 1 = Score 91-100
- Decile 2 = Score 81-90
- Decile 3 = Score 71-80
- Decile 4 = Score 61-70
- Decile 5 = Score 51-60
- Decile 6 = Score 41-50
- Decile 7 = Score 31-40
- Decile 8 = Score 21-30
- Decile 9 = Score 11-20
- Decile 10= Score 1-10

By comparing the distribution report with the lift chart, you can determine the number of prospects within the universe to target.

* Our database was created with 100 percent FCRA complaint and non-regulated data including publicly available property, census and federal government survey data.